



NCUA Media Release

NCUA Expands Disaster Assistance in Southeast

Alexandria, Va. (May 2, 2011) – In the wake of the deadliest series of tornadoes in more than 85 years, National Credit Union Administration (NCUA) Board Chairman Debbie Matz activated the agency's disaster relief policy to assist credit unions and their members in rebuilding and recovering in severely damaged areas in Tennessee and additional counties in Mississippi. Today's announcement builds on Saturday's decision by NCUA to provide disaster assistance in Alabama, Georgia and Mississippi.

According to the latest press reports, last week's storms have killed at least 350 individuals and caused an estimated \$2 billion to \$5 billion in insured losses.

In response, President Barack H. Obama has now declared that a major disaster exists in Tennessee and ordered federal aid to supplement state and local recovery efforts. The President's actions make federal funding available for the following affected counties: Cheatham, Davidson, Hickman and Williamson.

Four additional counties in Mississippi were added to the list of those announced Saturday. Mississippi's Chickasaw, Choctaw, Neshoba and Webster counties can also access federal emergency assistance programs.

Under the agency's disaster assistance policy, NCUA will, where necessary:

- Encourage credit unions to make loans with special terms and reduced documentation to affected members;
- Reschedule routine examinations of affected credit unions if necessary;
- Guarantee lines of credit for credit unions through the National Credit Union Share Insurance Fund; and
- Make loans to meet the liquidity needs of member credit unions through the Central Liquidity Facility.

As part of its disaster response, NCUA examiners surveyed credit unions operating in storm-affected states. Most credit unions remain open, operating business as usual, although some

credit union branches affected by damages or with limited access to power may have curtailed hours or services.

After natural disasters, NCUA works with individual state league organizations and state regulators to ensure all federally insured credit unions know of NCUA's available assistance. The agency's examiners have therefore remained in close contact with the affected local credit unions to offer advice and assistance. During disaster conditions, NCUA personnel operate under three priorities:

- Ensure the safety of credit union staff;
- Keep facilities and operations available to members; and
- Provide material and technical assistance, as needed, to affected credit unions.

Federal credit unions may also provide assistance to other credit unions and non-members in the affected areas, under certain conditions:

- A federal credit union may provide services to persons who are members of another credit union under their correspondent services authority.
- Emergency financial services for non-members, including check cashing, access to ATM networks, or other services to meet short-term emergency needs of individuals in the areas affected by the storms, can be provided under the authority to engage in charitable activities.
- Federal credit unions providing services on a charitable basis may not impose charges for services that exceed their direct costs.

Credit unions and credit union members needing help because of last week's storms may contact NCUA's Region III office in Atlanta at 678-443-3000 during normal business hours.

NCUA is the independent federal agency that regulates, charters and supervises federal credit unions. With the backing of the full faith and credit of the U.S. government, NCUA operates and manages the National Credit Union Share Insurance Fund, insuring the funds of more than 90 million account holders in all federal credit unions and the overwhelming majority of state-chartered credit unions.

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